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Before the  
Federal Communications Commission  
Washington, D.C. 20554

|                                   |   |                      |
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| In the Matter of                  | ) |                      |
|                                   | ) |                      |
| Modernizing the E-rate            | ) | WC Docket No. 13-184 |
| Program for Schools and Libraries | ) |                      |

In response to the FCC’S Public Notice regarding Category Two budgets and the administration of the filing process for Category Two applications, the State E-rate Coordinator Team for Florida, advocating on behalf of E-rate applicants across the State, including districts, libraries, consortiums, private schools, and charter schools, is submitting this reply comment in support of the initial comments filed by the State E-rate Coordinators Alliance (SECA).<sup>1</sup>

## I. FLORIDA AND CATEGORY TWO SUPPORT

The Category Two budget has been immensely beneficial to Florida applicants in upgrading their network infrastructure needs and we commend the Commission in their steps in modernizing the program by placing an emphasis in the demand for internal connection upgrades and support. Since the inception of the Category Two budget in funding year 2015, Florida E-rate applicants have submitted \$240,066,883.17 in funding requests with a total of \$163,487,089.68 being funded to date. Conversely, in the three years prior the Category Two budget, only 329 Florida applicants received Priority Two funding totaling \$57,660,974.16.

<sup>1</sup> SECA initial comments submitted on Oct 23, 2017 proceeding 13-184

While the Category Two budget does not always cover the entire cost of a project<sup>2</sup>, nor was it intended to do so, many districts would simply not be able to successfully upgrade their networking infrastructure without the support from the FCC's Category Two five-year budget. For these reasons, along with suggestions SECA submitted which would improve the process, Florida State E-rate Coordinators are in full support in the continuation of Category Two budgets beyond funding year 2019. We also agree with SECA that beginning in Funding Year 2020, for any applicant who has yet to complete their first five-year budget cycle, the Commission should restart the five-year budget and should not revert back to the 2/5 rule.

## **II. DISTRICT WIDE BUDGET**

Florida Coordinators are in full support of moving to a District-wide budget instead of the current school-by-school budget model. We agree with SECA's comments that, "This change would truly give E-rate applicants the flexibility they need to make decisions about how best to deploy infrastructure where it will be most effective for the entire organization, rather than limiting their decision-making processes to the school building level."<sup>3</sup> We also agree that a District-wide budget would align with other well "established processes throughout the E-Rate program." Over the last three years Florida districts and library systems left millions in potential E-rate funding "on the table" for infrastructure upgrades due to the hindrances found in the school-by-school and library-by-library budget allocation and the review process of these applications. We also agree with SECA in that we do not believe it was the "FCC's intention to require the applicant to spend so many, many more hours in performing these allocations in

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<sup>2</sup> St. Lucie School District reported that their budget covered only half of the cost of their C2 project where Lafayette School District noted the budget was adequate in covering the cost of their C2 projects.

<sup>3</sup> SECA initial comments submitted on Oct 23, 2017 proceeding 13-184

order to successfully utilize their budgets and submit Requests.” We believe the District-wide budget would greatly reduce the time applicants spend formatting Category Two applications and increase the FDCL processing rate for these applications.

Applying a single budget across an entire district or library system will provide organizations with the flexibility “to make decisions about how best to deploy infrastructure where it will be most effective” and would remove the potential for precious funding to remain unused. Applicants would then find the process of planning for Category Two projects less burdensome because they now have the ability to allocate the budget to entities who need upgrades the most.

**EXAMPLE:** Miami Dade Public Schools chose not to utilize any of their Category Two budget during the first three years of the five-year Category Two budget cycle. Dade County is the 4th largest school district in the country and decided to leave \$39,706,740.00<sup>4</sup> of E-rate funding unrequested specifically to avoid the school-by-school allocation and lengthy review process during PIA.

Applicants should not feel so burdened by the application process that they are willing to walk away from potential funding due to how they are asked to request services and we feel a District-wide budget would provide applicants the confidence in applying without fear of denials and lengthy reviews. And as SECA explained in their initial comments, retaining the current per-student budget calculation for schools is likely the most efficient way of deciding the District-wide budget and the Commission should continue using this process. Additionally,

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<sup>4</sup> Based on funding year 2017-18 total enrolment (294,124 total enrolled x \$150 per student x 90%) via the valid file submitted by State Coordinators.

by moving to a District-wide budget, the cumbersome task of counting part-time students would largely be eliminated, outside of certain non-traditional facilities, due to a single student only needing to be counted once at a single entity.

### **III. SIMPLIFYING THE CATEGORY TWO APPLICATION PROCESS**

Along with providing flexibility and an ability to better manage network infrastructure projects, moving to a District-wide budget would normalize the Category One and Category Two application processes while also eliminating unnecessary and time consuming post-commitment processes for both the applicant and USAC.

Due to the school-by-school budget allocation, many applicants must create several FRN's, many times for each school, with dozens or more underlying FRN line-items. Then they must select which of those internal connections are being allocated to a school's budget. As an example of this taxing process, in FY2017 Brevard County School District created 164 FRN line-items under a single FRN<sup>5</sup>. A District-wide budget would operate similarly to the Category One FRN Process. Brevard would have simply listed the schools who would receive each of their access points and switches, instead of creating a line-item for each entity. This improvement would have undoubtedly saved Brevard a few days<sup>6</sup> during the FRN creation time-period.

Currently, under a Category One standard Internet Access FRN, applicants select their service type and then simply select the recipients of service for each FRN line-item. Applicants would then repeat this process for different service types. The process for a Category Two FRN, however, is far more complex. While it is understandable that the FCC and USAC would need to

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<sup>5</sup> Application 171031942, FRN 1799069977

<sup>6</sup> Tom Fitzgerald with Brevard County reported it took three full days to complete all 164 line times.

know where equipment is located, tracking each individual entity's budget year over year makes the process for determining the recipients of service painstakingly frustrating. Individual schools or libraries, and even small districts, may not find this process difficult, but medium and large districts, along with library systems and consortiums, have found the management of this process daunting. This is especially true given the fact that USAC Category Two budget tools, found in two different websites using two different databases, do not accurately reflect applicants' remaining budgets. USAC expects applicants to track their own entity's remaining budgets, but with the slow approval of FCC Form 500's, how are applicants supposed to know exactly how much each entity has available prior to filing an application or planning their future project? We feel this process would be immediately streamlined, via the implementation of the District budget, and would reduce the amount of time spent creating a Category Two FRN and the subsequent time spent on the review of those applications.

In the July 21, 2017 News Brief<sup>7</sup>, USAC advised applicants to apply for their full project cost and not just their budget cap, making the process even more difficult. During PIA, if an applicant applied for more than their budget, reviewers requested an adjustment to the Request so the FRN was at or below the budget. This process created lengthy delays and even

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<sup>7</sup> "On your FCC Form(s) 471, we suggest that you apply for the full amount of your project that is eligible for E-rate discounts. This will give us good understanding of how much your project will actually cost. Also, you may not be aware of how changes in commitments from other funding years may have reduced or increased your C2 budget. For example, USAC may have recently processed an FCC Form 500 that requested a reduction in funding for a C2 commitment, or an appeal decision may have restored or decreased funding for a C2 commitment. Your reviewer will have access to that information, and can help identify any changes in your C2 budget.

During the review of your application, PIA will then work with you to reduce the pre-discount amount of your funding request(s) to the pre-discount amount remaining in your C2 budget. You can help the review process by being prepared to identify the pre-discount costs of services contained in your request that could be removed so that you stay within your C2 budget." <http://www.usac.org/sl/tools/news-briefs/preview.aspx?id=782>

costly denials because, using the feed-back from one district, “They couldn’t make the numbers match.” As the SECA comments aptly pointed out, during invoicing review applicants struggled to match service provider invoices to FRN line items due to the necessity of matching their line-item unit cost requests to a budget. This again has created unnecessary denials where every other step in the E-rate process, including procurement and FCC Form 471 creation, were correctly followed. We agree with other commenters<sup>8</sup> that applicants should be able to apply for the full cost of their project and the FCDL would limit funding to the budgeted amount.

A District-wide budget would largely fix many of these issues almost instantaneously. Applicants who apply for Category Two Internal Connections would now use the same process found in their Category One applications. They would select the type of connection and finally the recipients of service. Furthermore, instead of each school’s budget being reduced by the unit cost found on the line-item detail, the FRN line-item would represent a certain percentage of the District’s available budget with no need for line-item allocation or removing units to match the budgeted amount. Normalizing the application process would also reduce the administration of the process including, but certainly not limited to, fewer FCC Form 500’s, 471’s, 486’s, 472’s, FRN’s, FRN line-items, customer service requests, PQA’s, and invoice reviews. If the goal of the commission truly is to streamline the application process, moving to a District-wide Category Two budget would create an immediate impact in achieving the desired results by simply reducing the amount of paperwork involved.

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<sup>8</sup> CoSN, ESH, and FFL initial comments, ID 1024149156955

#### IV. AN INCREASE FOR RURAL APPLICANTS

In addition to the District-wide budget and application improvements, we believe the FCC should consider increasing the overall budget for Rural entities. While Urban districts may need to request more firewalls, switches, or access points to meet the demands of their network, these districts also have larger budgets to meet their needs and a more competitive bidding market to help drive down costs, especially the cost of installation. It has been reported to us by Florida's rural districts that it's more expensive for vendors to offer services in rural areas, as they can't use their own personnel, so those extra costs are passed onto the customers. There are also the issues of lack of competition which helps drive down the costs. From an article discussing Rural fiber installations, "It is more efficient for telecommunications companies to install new fiber lines in areas with high population density. This is basic economics related to how many customers there are to share fixed connection costs. Companies must weigh the cost of every mile laid against the expected profits from those lines. This works against rural areas, with fewer potential customers per mile."<sup>9</sup>

Rural districts, when compared to other larger Urban districts, have the same needs but with less budget while also having less technical expertise to handle large installation projects. While the cost of a switch or access point is not demonstrably different from one district to the next, Rural districts still need wireless access coverage per room no matter if there are 15 students in a room or 30. Larger districts have a larger budget, understandably so. While we agree with other commenters<sup>10</sup> that an overall increase to the current \$150 per student budget

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<sup>9</sup> <https://theconversation.com/technology-is-improving-why-is-rural-broadband-access-still-a-problem-60423>

<sup>10</sup> CoSN, ESH, and FFL initial comments, ID 1024149156955

is needed, we believe the FCC should consider an increase specifically to the budget for Rural districts. The FCC already acknowledges the inherent differences between Rural and Urban applicants, as reflected in the discount matrix, and we believe the Commission should continue this distinction in the Category Two budgets.

## **V. CONCLUSION**

To summarize, a District-wide budget would create immediate efficiencies in the application process, would provide confidence in how applicants approach filing for E-rate funding and in preparing for their future projects, would allow applicants much needed flexibility on how they deploy infrastructure needs, and finally would lessen the burden on the administration of the entire application process, for both Category One and Category Two.

The State of Florida E-rate Team appreciates the opportunity to submit our reply comments in this important proceeding and looks forward to further participation and discussion with the Commission.

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